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S E C R E T SECTION 01 OF 02 KUALA LUMPUR 000265

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TAGS: [PGOV](#) [PINR](#) [KDEM](#) [MY](#)

SUBJECT: ANWAR'S OFFICIAL RETURN - CELEBRATION AND
UNCERTAINTY

REF: A. KUALA LUMPUR 261 - MORE UMNO PRESSURE FOR CHANGE

- [1](#)B. KUALA LUMPUR 256 - UMNO VOICES NAJIB TAKE-OVER
- [1](#)C. KUALA LUMPUR 223 - UMNO ELECTIONS IN DECEMBER
- [1](#)D. KUALA LUMPUR 202 - KING VERSUS PRIME MINISTER
- [1](#)E. KUALA LUMPUR 178 - UMNO STOKES MALAY FEARS
- [1](#)F. KUALA LUMPUR 160 - MALAYSIA'S ELECTION SHOCK

Classified By: POLITICAL SECTION CHIEF MARK D. CLARK, REASON 1.4 (B AND
D).

Summary

[1](#)1. (S) Anwar Ibrahim and his People's Justice Party (PKR) celebrated the expiration of the ban on Anwar holding formal political office at an April 14 rally in Kuala Lumpur, an event intended to maintain the opposition leader's political momentum. Police intervened to stop the "illegal gathering" at the end of Anwar's hour-long address, and launched investigations into organizers, including Anwar's wife, who did not apply for a police permit. While publicly celebratory, privately PKR continues to strike a much more cautionary tone. Senior PKR leader Tian Chua reiterated to polchief on April 15 that Anwar wished to proceed cautiously to avoid a crackdown or an ethnic Malay backlash driven by PM Abdullah's UMNO party. Anwar recognized the rapidly increasing possibility that DPM Najib takes over power from PM Abdullah (refs A and B); reportedly identified this as a key threat to the opposition; and would consider trying to bring down the National Front government by asking government MPs to cross-over should power shift to Najib. The final weeks of April before the opening of the new Parliament represent a critical time. Anwar and PKR's public celebration masks the political uncertainty and sense of risk we have heard consistently from Anwar's confidantes. End Summary.

Anwar's Official Return From Political Wilderness

[1](#)2. (U) On April 14, the People's Justice Party (PKR) held a well-publicized rally in Kuala Lumpur honoring the end of the five-year ban on opposition leader Anwar Ibrahim from holding public office stemming from his conviction on corruption charges. Police estimated attendance at 7,000, although media and PKR sources put the number between 10,000 and 40,000. Anwar delivered a fiery one-hour address, claiming the opposition Peoples Alliance had enough members from the ruling National Front (BN) ready to switch sides to "topple the government," but offering a tempered view on if and how this would happen, with one option to wait until Anwar contests for Parliament in a by-election. Anwar announced that the public should talk about the supremacy for all

Malaysians, not Malay supremacy, turning on its head a slogan from Prime Minister Abdullah's UMNO party. Anwar reached out to East Malaysians, who NOW represent a swing block in Parliament, by promising greater natural resource royalties for their states under a Peoples Alliance government. Police interrupted Anwar toward the end of his speech and ordered the crowd to disperse, claiming the gathering was illegal as it lacked a permit. Anwar complied with the police and the event concluded peacefully. On April 15, police began an initial investigation by issuing summons for Anwar's wife and three other PKR leaders for their roles in organizing an "illegal gathering."

Anwar at Tamil New Years Event

13. (U) Prior to attending the PKR celebration, former Deputy Prime Minister Anwar made an appearance at an ethnic Indian rally on the occasion of Tamil New Year in Brickfields, part of his daughter's, Nurul Izzah, parliamentary district in Kuala Lumpur. The crowd of some 1,300 roared as Anwar took the microphone and shouted "Makkaal Sakthi" ("People's Power" in Tamil) and raised his clinched fists. In his short speech, Anwar described PM Abdullah's designated successor, Deputy Prime Minister Najib Tun Razak, as "worse than the current Prime Minister."

PKR Official - Caution, Uncertainty

14. (C) Polchief met on April 15 with PKR Information Chief Tian Chua, a key lieutenant to Anwar Ibrahim and now an elected member of Parliament. Tian Chua said the April 14 celebration achieved its objective of maintaining momentum for Anwar and the opposition, despite the police

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intervention. He was concerned, however, that the police actions could represent the initial steps in a period of "harassment" against Anwar. Tian emphasized that Anwar recognized he needed to proceed cautiously at this point so as not to precipitate or provide the pretext for a crack-down, or to frighten ethnic Malays into supporting an UMNO-driven backlash. He acknowledged that superficially at least initial steps by opposition-held states had favored ethnic minority interests, but concluded that widespread Malay unrest appeared farfetched. BN efforts so far to generate Malay fears had failed. Nevertheless, he noted with mild concern the April 12 Malay NGO rally, held in UMNO's convention center, which featured chauvinistic Malay speeches calling for the defense of Malay sovereignty and headlined by the crown prince of Kelantan state. The position of the Malay traditional rulers would be important to an UMNO effort to rally Malays, Tian commented.

15. (C) Tian stated that within the new Peoples Alliance, PKR and the Malaysian Islamic Party (PAS) were cooperating well. PAS was a solid partner, and, Tian offered, not likely to be convinced to join forces with UMNO in a Malay alliance. (Comment: This unsolicited comment suggested to us that PKR had seriously considered the PAS-UMNO scenario. End Comment.) The Chinese-dominated Democratic Action Party (DAP) was more troublesome, particularly its old-time leaders Karpal Singh and Lim Kit Siang who were trapped in the opposition politics of the past.

Possible Najib Take-Over a Threat to Opposition

16. (S) Anwar did not want BN MPs to cross over to the opposition now, and thus bring down the BN government at this point, according to Tian. Anwar and his allies were not ready, and the resulting Peoples Alliance government would be far too fragile to rule effectively and institute reforms; the government probably would perform poorly and damage the opposition's chances of winning a sizable majority in a

future election. The one exception to this calculation would be an imminent hand-over of power from PM Abdullah to DPM Najib. Anwar recognized the rapidly increasing possibility that DPM Najib takes over from PM Abdullah (refs A and B), and he identified this as a key threat to the opposition. Anwar reportedly assessed Najib as likely to and capable of imposing more authoritarian measures like former Prime Minister Mahathir in the 1980s. Before Najib had the opportunity to take stern, emergency measures against the opposition, Anwar would consider bringing down the government by asking for BN MPs to cross-over. When asked about the political calendar for the remainder of 2008, Tian responded that Anwar and PKR were much more focused on the political uncertainty of the next two weeks, prior to the opening of the new Parliament, growing out of the UMNO leadership crisis: "We don't know where we'll be at the end of April."

Comment

17. (C) Anwar and PKR's public celebration masks the sense of great political uncertainty and caution we have heard consistently from Anwar's confidantes. From the opposition viewpoint, the current situation is both fluid and fraught with risk.
KEITH